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ABSTRACT

Massachusetts' Tougas Amendment, which requires foreign students to pay the "true cost" of their education at the state's public colleges and universities threatens the image of the colleges and their ability to deliver on important aspects of their educational mission. Even at small institutions such as Greenfield Community College (GCC), Massachusetts, the consequences of the legislature's action are likely to include an abrupt decline in the numbers of foreign students enrolled and a consequent cultural quieting on campus. At GCC, foreign students play an important part in efforts to create a vibrant learning community. They serve as an invaluable educational resource in an unusually homogeneous student population; they bring to the college favorable publicity and respect based on the ideal of internationalism; they increase the range of perspectives instructors may draw on in promoting understanding of academic topics; and they enrich campus social and cultural life through their membership in student clubs and organizations. The possible consequences of the legislation include the following: (1) higher tuition rates are expected by many to drive foreign students either to private institutions or to other states; (2) Massachusetts will suffer a diminished reputation overseas and domestically; (3) if high tuition levels discourage the enrollment of foreign students, the college's operating costs will remain the same, but tuition revenues will go down; and (4) reduced enrollment also lessens a college's ability to deal flexibly with shifting enrollment patterns. Rather than being a step in the direction of establishing a rational and equitable statewide tuition plan, the amendment is instead a hasty response to a complex issue. There are so many vagaries in the amendment and inconsistencies in the implementation procedures devised by Regents' staff that the entire plan should be suspended pending thorough review. (AYC)

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True Cost Tuition for Foreign Students: Does the Policy Serve the Commonwealth?

A Campus View

by

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True Cost Tuition for Foreign Students:
Does the Policy Serve the Commonwealth?

A Campus View

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The new law requiring that foreign students pay the "true cost" of their education at our public colleges and universities threatens our status as enlightened institutions and our ability to deliver on important aspects of our educational mission. Even at small institutions such as Greenfield Community College, the consequences of the legislature's action will be significant. We are quite likely to see an abrupt decline in the numbers of foreign students enrolled and a consequent cultural quieting on our campuses. As members of the state's higher education community, we need to take steps to reverse the legislature's mandate.

The Importance of Foreign Students on Campus

At Greenfield Community College, foreign students play an important part in our efforts to create a vibrant learning community. As a community college in a relatively rural area, we serve an unusually homogeneous population. Our students do not often meet people from other cultures and nations. Even race is unusually homogeneous. For our students, classmates and neighbors are most often people just like themselves. Given this setting, contacts with foreign students are an inexpensive but invaluable educational resource. Foreign students help us prepare our students for the diversity and variety of the global community. They should therefore be seen as more than mere revenue sources. They are instructional assets.

Of course, the importance of foreign students to any particular campus varies depending on the individuals involved and the needs and climate of the institution. They nearly always bring to a college favorable publicity and respect based on the ideal of internationalism. They symbolize interdependence and help to instill a sense of global awareness that faculty are only able to hint at in lectures. Depending on who they are and how they choose to participate, they may help with language instruction and cultural affairs programming. They may speak to community groups or submit to interviews in campus or local newspapers. If they live in dormitories, they may share their lives in even deeper ways with American roomates and friends. Or, in the case of a community college like ours, when they reside off-campus they may help to build cultural bridges outside our Ivory Towers as well. In all cases, they are important for the personal example they set: They exemplify the courage to travel, explore, and experiment in a different culture, and thus serve as a source of motivation for everyone on campus.

Foreign students in our classrooms increase the range of perspectives instructors may draw on in promoting understanding of academic topics. They similarly enrich campus social and cultural life through their membership in student clubs and organizations and through their participation in informal activities. Their mere presence on campus offers a steady stream of educational opportunities in the form of international student days marking events in their individual cultures, foreign film screenings, brown-bag

discussions, and even topical menus based on ethnic foods in the campus cafeteria. It is not that events like these cannot be staged without foreign students. Rather it is that such events become so much more meaningful and relevant with foreign students present. Indeed, nearly all of us who interact with them find our answers to their questions help us deepen our understandings of ourselves.

In Greenfield, our own campus relationships with foreign students have been rudely interrupted by the legislature's action. We have just created a "foreign student patio" as one of the events of our 25th anniversary year. This flag-bedecked retreat was to have served as a symbolic reminder of the link our college provides to the global community. We had also just begun planning a new program of permanent hosts for each of our foreign students and a unique cross-interviewing scheme which would have coupled American and foreign students in research assignments for academic credit based on each other's cultures. These, of course, were only the latest in a continuing list of opportunities available to colleges like ours as a result of foreign enrollments. They will be acutely missed if our foreign students move on to other places.

The Question of Cost/Benefit Analysis

The controversy over the tuition levels to be assessed on foreign students in the Commonwealth's public colleges and universities really ought to be informed by a full treatment of the central questions of Who Benefits? Who Should Pay? It is quite obvious to those of us who are charged with managing the campuses that there is more to answering these questions than simply asserting, "foreigners benefit so foreigners must pay." There are many factors to be considered and many implications to changes in tuition structure.

Among the possible consequences of raising tuition for foreign students is that students who are enrolled will simply accept the higher rates and the state will receive increased revenue. Most of us concerned with the issue think otherwise. At a meeting of faculty and staff who deal with foreign students held recently at the University of Massachusetts at Amherst, consensus was that higher rates would drive the foreign students either to private institutions or to public institutions in other states. Besides obvious reductions in the significant and varied educational opportunities discussed above, two other symbolic consequences should be considered in this context. The first is that Massachusetts will surely suffer a diminished reputation overseas as a global community, and this is no small matter in a world alive with economic competition for siting international firms. The second will be a diminution of the Commonwealth in domestic eyes. Such a reaction has already been presaged: On August 5, 1987, the Daily Hampshire Gazette opined that, "Massachusetts, known worldwide for its educational institutions, may become the first state in the union to penalize foreign students for simply being foreign." Higher education is supposed to be international by its very nature. If our public colleges are not, awareness of the fact will change the images of our schools in the public mind, eroding confidence and perhaps even inducing some Massachusetts students to enroll elsewhere.

There is also the very important matter of marginal costs in the cost/benefit question. Only the truly naive derive the costs of a student's education by dividing an institution's operating budget by its full-time equivalent

students. The result of such a crude analysis is roughly akin to studying personal wherewithal on Wall Street by averaging the incomes of the Ivan Boeskeys with those of some street people and declaring everybody to be middle class. The numbers may come out that way, but the numbers only obscure the truth.

Every college's budget proceeds on the basis of countless micro decisions. For every low enrollment class, there is an auditorium full somewhere. For every professor released from classroom duties, there is a research or public service purpose. When it comes to foreign students in the numbers that Massachusetts enrolls, there is also a cost explanation. In fact, there is even a well-accepted analogy. Consider a stairway with each step representing the costs of a class section. To add a step, you first have to hire an instructor, heat the room, turn on the lights, and put relevant books in the library. Then you can enroll students. In fact, you can keep on enrolling students until you fill up the step and have to move up to another. When you do, even for one student, your costs go up a lot. But before you do, every student you add just reduces your average cost for the course. This is an extremely important notion because it means that foreign students do not really add to our costs. They reduce them! Since no responsible college puts a foreign student alone on a step with a professor, the cost of educating foreigners is not what it would seem. In reality, they attend classes which would run anyway. Moreover, if high tuition levels drive them away, our operating costs will remain the same,but our tuition revenues will go down. In effect, without utilizing our excess capacity to educate foreigners, the Commonwealth will end up spending more of its own dollars to educate the same numbers of Massachusetts students.

Capitalizing on excess capacity holds yet another advantage for the Commonwealth. It gives institutions an opportunity to redirect their emphases and resources to meet demand more efficiently; or, in some cases, time enough to influence declining demand. At any particular moment, enrollments may shift from one pattern to another. When they do, some programs may not be able to meet demand while others attract very low numbers of students. This sort of an imbalance would not be a problem if it were easy to transfer faculty from one area to another. But it is not easy. Under such circumstances, having foreign students available to fill seats which would otherwise go empty gives an institution time to shift its personnel gradually. Similarly, whenever domestic talent may not be available to fill seats in spite of labor market demand, the presence of foreign students provides a bridge to a time when seats can be filled with qualified American students.

The Tougas Amendment: A Critique

What ought to be obvious from the above is that there are many good reasons for continuing the present two-tiered tuition structure. On the other hand, there are probably also good reasons why the legi tion on foreign student tuition passed. No doubt the amendment reflects the deep sense of frustration which many feel over America's plight in the world and our powerlessness to deal with injustices perpetrated against us. But as a response to terrorism and events overseas--as some news reports suggest the amendment is--hiking tuition for foreigners is most inappropriate. For one thing, the foreign students we enroll are hardly responsible for the injustices we have suffered. For another, the circumstances which prompted this bill have certainly been misunderstood. One can almost imagine a legislator being challenged by an

irate constituent, a parent of a disappointed applicant to a highly competitive program: "Why was a foreign student accepted into engineering (or nursing or business administration or computer science) and my son or daughter not? Don't I pay taxes?" Likely the issue did not come up in an "excess capacity" program. It might even be that there was a shortage of American talent who met the standards set by the faculty for study in the field. That would be beside the point. What would count would be that a seat would have gone to an outsider, perhaps to a citizen of an unfriendly regime. And what would have made things worse would have been the dollars involved, since most high demand programs are also high cost programs. It is all quite understandable. And it is also very unfortunate.

The Tougas Amendment begins by setting aside previous well-conceived legislation and intruding on the autonomy of the higher education community to deal effectively with issues of finance and governance.

> Notwithstanding the provisions of any general or special law to the contrary, the Board of Regents of Higher Education shall fix a rate of tuition and charge all students...

This is in direct contradiction to Chapter 15A, section 5g of the General Laws of Massachusetts which explicitly conveys to the Board of Regents the power to "develop a rational and equitable statewide tuition plan for all institutions of public higher education in the Commonwealth...." While mandating tuition for foreign students may appear to be justifiable and unrelated to governance matters, what it really does is undercut the Regents' ability to balance costs and benefits within the system of higher education. No one is challenging the legislature's authority over the state's colleges and universities or that it can set tuition. The point to be made is that the Tougas Amendment is a highly inefficient means of exercising that authority. Why, one asks, should the legislature establish and empower a body to govern the institutions and then preempt that body's consideration of the many factors involved in a policy question on the basis of its own concern for just a few? Rather than being a step in the direction of establishing the desired "rational and equitable statewide tuition plan," the amendment is instead a hasty response to a complex issue.

The new amendment directs the Regents to base tuition for foreign students on "true education costs," but the unfortunate language used in the amendment only serves to cloud the cost issue. Specifically mentioned for inclusion in the calculations are "the cost of instruction, the cost of operating, equipping and maintaining the physical plant, the full and actual library costs, the costs of administration, the costs of operating student services and programs of financial assistance." In interpreting this language, the Regents' staff has simply divided institutional operating budgets for Fiscal 1988 by full-time equivalent enrollments for fall, 1986. What this means is that the costs which have been computed--the pro-rated costs which foreign students will be expected to pay--include the state's costs for research and public service, the costs of sabbaticals and other personal leaves, and the costs of student aid programs--despite of the fact that foreign students cannot benefit from the aid and that the federal government already pays institutions overhead to cover the costs of aid distribution. It also means that foreign students will be paying pro rata for graduate stipends, delayed maintenance, occasional "inequity"

adjustments, special institutes and centers, and even the costs of club football at several institutions. When the amendment's language goes on to include "all revenues from true [sic] funds and related day school operations, grant funds, reserves from continuing education," it means that foreign students should also be charged for such other things as institutional entertainment expenses, courses delivered to business and industry, and, at Greenfield, programs for high school teachers, welfare clients, fifth and sixth grade science enrichment, and "talented and gifted" children. Fortunately, however, the Regents' staff has computed "true costs" without reference to trust funds, grant funds, and reserves from continuing education. This makes sense. But it does not comply with the law.

There are so many vagaries in the amendment and inconsistencies in the implementation procedures devised by the Regents' staff that the whole notion of raising tuition deserves to be suspended pending thorough review. Why, for example, should "estimated true costs" be substituted for "true costs," be based on enrollments from an earlier academic year (and only half a year at that), be computed for individual institutions (but not campuses) as opposed to subsystems (e.g., community colleges), and not include such expenses as the costs of the Regents' staff? And, if such a policy is to be implemented at all, why not carry tuition differentiation down to the program level since there is probably more cost variation between types of programs than between individual institutions? At least that would sort out the great cost differential between graduate education (where students are occasionally virtually alone on a step with a professor) and undergraduate study and avoid increasing the tuition payments of the undergraduates unnecessarily. There are just too many unanswered questions for the state to proceed with the new policy even if it were clear that the policy served the Commonwealth.

The Tougas Amendment calls into question the authority of the Board of Regents to govern the Massachusetts system of higher education and threatens the educational climates of the institutions which compose that system. As a statement of policy, it blows a full retreat from America's place in the world and Massachusetts' stature as a leading intellectual center in the global community. It raises serious questions about fairness, about what really benefits our institutions and our own domestic students, and what role American public higher education ought to play in educating foreign students (Don't we want our graduates and our point of view represented around the world?). It is also predicated on a severely limited view of the issues involved (e.g., do foreign students displace Massachusetts students in programs which are filled or do they fill seats which would otherwise be vacant?), and it deserves to be overturned. To date, however, the Regents' staff has seemed content with only softening the blow, "grandfathering" current students and delaying full implementation of the policy. What is being neglected in this tack is the terrible precedent set by a three-tiered rate structure, the unacceptable role being scripted for the Commonwealth, and the operational nonsense which facile implementation portends. More--much more--needs to be done to bring this issue to the public and back to the public's legislature.

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